

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

Local Government Type <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name Rose Township	County Ogemaw
Audit Date 3/31/05	Opinion Date 9/21/05	Date Accountant Report Submitted to State: 9/30/05	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

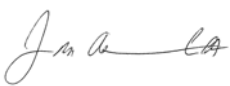
We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ Yes ☒ No 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ Yes ☒ No 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☐ Yes ☒ No 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ Yes ☒ No 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ Yes ☒ No 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ Yes ☒ No 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ Yes ☒ No 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ Yes ☒ No 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ Yes ☒ No 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.			✓
Reports on individual federal financial assistance programs (program audits).			✓
Single Audit Reports (ASLGU).			✓

Certified Public Accountant (Firm Name) Anderson & Decker, P.C.			
Street Address P.O. Box 746	Digitally signed by James M. Anderson, CPA DN: cn=James M. Anderson, CPA, c=US, o=Anderson & Decker, PC, email=jma@m33access.com Date: 2005.09.30 11:32:06 -04'00'	City Roscommon	State MI
Accountant Signature 		ZIP 48653	Date 9/30/05

TOWNSHIP OF ROSE
OGEMAW COUNTY, MICHIGAN
AUDITED FINANCIAL STATEMENTS
MARCH 31, 2005

TOWNSHIP OFFICIALS

Supervisor

Louis McKellar

Clerk

Kelli Collins

Treasurer

Linda Graham

TRUSTEES

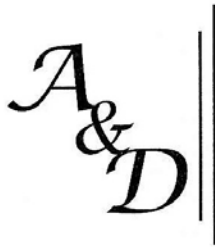
Linda Blair

Russell Oyster

TOWNSHIP OF ROSE

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Anderson & Decker, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

245 Lake Street • P.O. Box 746 • Roscommon, MI 48653
(989) 275-8831

INDEPENDENT AUDITORS' REPORT

September 21, 2005

Township Board
Rose Township
Ogemaw County, Michigan

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Township of Rose, as of and for the year ended March 31, 2005, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion based on these financial statements on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the governmental activities, each major fund activity, and the aggregate remaining fund information of the Township of Rose, as of March 31, 2005, and the respective changes in financial position thereof and for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note B, the Township has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, as of March 31, 2005

The management's discussion and analysis on pages 2-7 and budgetary comparison information on pages 27-37 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

ANDERSON & DECKER, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

TOWNSHIP OF ROSE MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Rose Township (the "Township"), we offer readers of the Township's financial statements this narrative overview and analysis of the financial activities of the Township for the fiscal year ended March 31, 2005.

Financial Highlights

- . The assets of the Township exceeded its liabilities at the close of the most recent fiscal year by \$863,406 (*net assets*). Of this amount, \$681,205 (*unrestricted net assets*) may be used to meet the Township's ongoing obligations.
- . The Township's total net assets increased by \$84,428.
- . As of the close of the current fiscal year, the Township's general fund, reported an ending fund balance of \$430,899, an increase of \$43,102 in comparison with the prior year.
- . At the end of the current fiscal year, unreserved fund balance for the general fund was \$430,899 or 294% of total general expenditures.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Township's basic financial statements. The Township's basic financial statements consist of three components: 1)Government-wide financial statements, 2)Fund financial statements, and 3)Notes to the financial statements. This report also contains other supplemental information in addition to the basic financial statements themselves.

Government-wide financial statements. The *Government-wide financial statements* are designed to provide readers with a broad overview of the Township's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the Township's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Township is improving or deteriorating.

The *statement of activities* presents information showing how the Township's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

TOWNSHIP OF ROSE
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Both of the Government-wide financial statements present functions of the Township that are principally supported by taxes and intergovernmental revenues (*governmental activities*). The governmental activities of the Township include general government, public safety, public works, health and welfare and recreation and cultural. The Township does not have any business-type activities as of and for the year ended March 31, 2005.

The Government-wide financial statements can be found on pages 8-9 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Township, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Township can be divided into two categories: governmental funds and fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the Government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a Township's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the Government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Township maintains five governmental funds. Information is presented in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General, Fire Protection, Road Improvement, Gypsy Moth and Private Road Funds.

The Township adopts an annual appropriated budget for its governmental funds. Budgetary comparison statements or schedules have been provided for the governmental funds herein to demonstrate compliance with the budget.

The basic governmental fund financial statements can be found on pages 10-13 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the Township. Fiduciary funds are *not* reflected in the Government-wide financial statements because the resources of those funds are *not* available to support the Township's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

TOWNSHIP OF ROSE
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Notes to financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 17-26 of this report.

Government-wide Financial Analysis

(Because this is the first year of implementation of Governmental Accounting Standards Board Statement No. 34, which requires, which requires this new reporting model, the following tables present only current year data. In future years, when prior-year information is available, comparative analysis of Township-wide data will be presented.)

A portion of the Township's net assets (21%) reflects its investments in capital assets (e.g., land, land improvements, buildings, and equipment); less any related debt used to acquire those assets that is still outstanding. The Township uses these capital assets to provide services to the community; consequently, these assets are *not* available for future spending.

Township's Net Assets

	<u>Governmental Activities</u>
Current and Other Assets	\$ 688,804
Capital Assets, Net	<u>182,201</u>
Total Assets	871,005
Current Liabilities	<u>7,599</u>
Total Liabilities	7,599
Net Assets:	
Invested in Capital Assets, Net of Related Debt	182,201
Unrestricted	<u>681,205</u>
Total Net Assets	<u><u>\$ 863,406</u></u>

TOWNSHIP OF ROSE
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

The Township's net assets increased by \$84,428 during the current fiscal year. Unrestricted net assets - the part of net assets that can be used to finance day to day operations, increased by \$88,415 or 15%, during fiscal year 2005.

Township's Changes in Net Assets

	<u>Governmental Activities</u>
Revenue:	
Program Revenue:	
Charges for services	\$ 23,596
Operating Grants and Contributions	7,824
General Revenue:	
Property Taxes	156,698
State-Shared Revenues	105,452
Interest	8,914
Other	<u>10,342</u>
Total Revenue	<u>312,826</u>
Expenses:	
General Government	112,106
Public Safety	52,300
Public Works	50,417
Health and welfare	6,750
Recreation and cultural	<u>6,825</u>
Total Expenses	<u>228,398</u>
Increase in Net Assets	84,428
Net Assets, Beginning of Year	<u>778,978</u>
Net Assets, End of Year	<u><u>\$ 863,406</u></u>

Financial Analysis of the Government's Funds

As noted earlier, the Township uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

TOWNSHIP OF ROSE
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

As of the end of the current fiscal year, the Township's governmental funds reported combined ending fund balances of \$681,205, an increase of \$88,414 in comparison with the prior year. The *undesignated fund balance*, which is available for spending at the Township's discretion, constitutes 100% of this total amount.

The primary governmental fund is the General Fund of the Township. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Undesignated fund balance represents 294% of total general fund expenditures.

The fund balance of the General Fund increased by \$43,102 during the current fiscal year.

General Fund Budgetary Highlights

The Township's budgets are prepared in accordance with Michigan Law. The budgeted funds are the General, Fire Protection, Road Improvement, Gypsy Moth and Private Road Ends.

Capital Assets and Debt Administration

Capital assets. The Township's investment in capital assets for its governmental activities as of March 31, 2005, amounted to \$182,201 (net of accumulated depreciation). Investment in capital assets includes land, land improvements, buildings, and equipment. Additions totaled \$5,441 for the fiscal year.

Township's Capital Assets
(net of depreciation)

Land	\$ 34,341
Buildings and Improvements	128,283
Machinery and Equipment	<u>19,577</u>
Total	<u>\$ 182,201</u>

Additional information on the Township's capital assets can be found in note F on page 22 of this report.

TOWNSHIP OF ROSE
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Factors Bearing on the Township's Future

The following factors were considered in preparing the Township's budget for the 2005-2006 fiscal year:

- . The State of Michigan has made significant cuts in their operating budgets due to a down turn of the economy. For 2004-2005, the Township received \$101,146 in state shared revenues, representing 53% of the revenues in the General Fund. The amounts of state shared revenues for future periods is uncertain and will affect the Township's budget.

Requests for Information

This financial report is designed to provide a general overview of the Township's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

**Rose Township
P.O. Box 38
Lupton, MI 48635**

TOWNSHIP OF ROSE
STATEMENT OF NET ASSETS
MARCH 31, 2005

ASSETS	<u>Governmental Activities</u>
Current Assets:	
Cash and investments	\$ 655,779
Receivables:	
Accounts Receivable	277
Delinquent Taxes	17,470
Other Governmental Units	<u>15,278</u>
Total Current Assets	688,804
Non-Current Assets:	
Capital Assets - Net	<u>182,201</u>
Total Assets	<u>871,005</u>
LIABILITIES	
Current Liabilities:	
Accounts Payable	4,138
Current Portion of Long-Term Debt	<u>3,461</u>
Total Current Liabilities	<u>7,599</u>
NET ASSETS	
Invested in Capital Assets, Net of Related Debt	182,201
Unrestricted	<u>681,205</u>
Total Net Assets	<u><u>\$ 863,406</u></u>

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF ROSE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MARCH 31, 2005

	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Net (Expense) Revenue</u>
GOVERNMENTAL ACTIVITIES					
General Government	\$ (112,106)	\$ 5,697	\$ -0-	\$ -0-	\$ (106,409)
Public Safety	(52,300)	-0-	1,102	-0-	(51,198)
Public Works	(50,417)	17,899	6,722	-0-	(25,796)
Health and Welfare	(6,750)	-0-	-0-	-0-	(6,750)
Recreation and Cultural	(6,825)	-0-	-0-	-0-	(6,825)
Total Governmental Activities	<u>\$ (228,398)</u>	<u>\$ 23,596</u>	<u>\$ 7,824</u>	<u>\$ -0-</u>	<u>(196,978)</u>
GENERAL REVENUES					
Property Taxes Levied for:					
General Purpose					46,058
Public Safety					73,183
Public Works					37,457
State Shared Revenue not restricted to specific purposes					105,452
Miscellaneous					8,914
Investment Earnings					<u>10,342</u>
Total General Revenues					<u>281,406</u>
Change in Net Assets					84,428
Net Assets - April 1					<u>778,978</u>
Net Assets - March 31					<u>\$ 863,406</u>

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF ROSE
COMBINING BALANCE SHEET
GOVERNMENTAL FUNDS
MARCH 31, 2005

	<u>General</u>	<u>Fire Protection</u>
ASSETS		
Cash and investments	\$ 417,041	\$ 139,028
Taxes receivable	5,040	8,272
Due from other Governmental Units	15,278	-0-
Accounts receivable	277	-0-
Due from other funds	<u>862</u>	<u>-0-</u>
Total Assets	<u>\$ 438,498</u>	<u>\$ 147,300</u>
LIABILITIES AND FUND EQUITY		
Liabilities:		
Accounts payable	\$ 4,138	\$ -0-
Accrued liabilities	3,461	-0-
Due to other funds	<u>-0-</u>	<u>-0-</u>
Total Liabilities	<u>7,599</u>	<u>-0-</u>
Fund Equity:		
Fund balance:		
Undesignated	<u>430,899</u>	<u>147,300</u>
Total Fund Equity	<u>430,899</u>	<u>147,300</u>
Total Liabilities and Fund Equity	<u>\$ 438,498</u>	<u>\$ 147,300</u>

The accompanying notes are an integral part of these financial statements.

<u>Road Improvement</u>	<u>Other Funds</u>	<u>Totals</u>
\$ 55,248	\$ 44,462	\$ 655,779
4,135	23	17,470
-0-	-0-	15,278
-0-	-0-	277
<u>-0-</u>	<u>-0-</u>	<u>862</u>
<u>\$ 59,383</u>	<u>\$ 44,485</u>	<u>\$ 689,666</u>

\$ -0-	\$ -0-	\$ 4,138
-0-	-0-	3,461
<u>-0-</u>	<u>862</u>	<u>862</u>
<u>-0-</u>	<u>862</u>	<u>8,461</u>

<u>59,383</u>	<u>43,623</u>	<u>681,205</u>
<u>59,383</u>	<u>43,623</u>	<u>681,205</u>
<u>\$ 59,383</u>	<u>\$ 44,485</u>	<u>\$ 689,666</u>

TOWNSHIP OF ROSE
RECONCILIATION OF FUND BALANCES ON BALANCE SHEET
FOR GOVERNMENTAL FUNDS TO NET ASSETS OF
GOVERNMENTAL ACTIVITIES ON THE STATEMENT OF NET ASSETS
MARCH 31, 2005

TOTAL FUND BALANCES - GOVERNMENTAL ACTIVITIES \$ 681,205

Amounts reported for governmental activities in the
Statement of Net Assets are different because:

Capital assets used in governmental activities are
not current financial resources and therefore are
not recorded in the funds. This represents the
amounts by which capital assets used in governmental
funds exceeds accumulated depreciation.

182,201

TOTAL NET ASSETS - GOVERNMENTAL ACTIVITIES \$ 863,406

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF ROSE
 COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN
 FUND BALANCE - GOVERNMENTAL FUND TYPES
 YEAR ENDED MARCH 31, 2005

	<u>General</u>	<u>Fire Protection</u>	<u>Road Improvements</u>	<u>Other Funds</u>	<u>Totals</u>
Revenues:					
Taxes and assessments	\$ 46,058	\$ 73,183	\$ 36,583	\$ 874	\$ 156,698
Intergovernmental	105,452	1,102	6,722	-0-	113,276
Charges for services	23,596	-0-	-0-	-0-	23,596
Interest	7,608	1,619	-0-	1,115	10,342
Other	6,914	2,000	-0-	-0-	8,914
Total Revenues	<u>189,628</u>	<u>77,904</u>	<u>43,305</u>	<u>1,989</u>	<u>312,826</u>
Expenditures:					
General government	105,405	-0-	-0-	-0-	105,405
Fire	-0-	52,090	-0-	-0-	52,090
Law enforcement	210	-0-	-0-	-0-	210
Health & Welfare	-0-	-0-	-0-	6,750	6,750
Sanitation	31,283	-0-	-0-	-0-	31,283
Road projects	-0-	-0-	18,440	606	19,046
Cemetery	4,224	-0-	-0-	-0-	4,224
Recreation & Cultural	5,404	-0-	-0-	-0-	5,404
Total Expenditures	<u>146,526</u>	<u>52,090</u>	<u>18,440</u>	<u>7,356</u>	<u>224,412</u>
Excess:					
Revenue over (under) expenditures	43,102	25,814	24,865	(5,367)	88,414
Fund Balance - April 1	<u>387,797</u>	<u>121,486</u>	<u>34,518</u>	<u>48,990</u>	<u>592,791</u>
Fund Balance - March 31	<u>\$ 430,899</u>	<u>\$ 147,300</u>	<u>\$ 59,383</u>	<u>\$ 43,623</u>	<u>\$ 681,205</u>

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF ROSE
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MARCH 31, 2005

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ 88,414

Amounts reported for governmental activities in the
Statement of Activities are different because:

Governmental funds report capital outlays as
expenditures. However in the statement of
activities, the cost of these assets are
capitalized and depreciation charged to expense
over their useful
life.

(3,986)

CHANGES IN NET ASSETS - GOVERNMENTAL ACTIVITIES \$ 84,428

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF ROSE
STATEMENT OF FIDUCIARY NET ASSETS
MARCH 31, 2005

ASSETS	
Cash and Investments	\$ <u>277</u>
LIABILITIES	
Undistributed Collections	<u>277</u>
Total Liabilities	<u>277</u>
NET ASSETS	
Net Assets	\$ <u><u>-0-</u></u>

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF ROSE
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
YEAR ENDED MARCH 31, 2005

REVENUES	
Property Tax Collections	\$ 1,144,330
Interest Collections	12,569
Overpayments	<u>3,371</u>
Total Revenues	<u>1,160,270</u>
EXPENDITURES	
Property Taxes	1,144,330
Other	<u>15,940</u>
Total Expenditures	<u>1,160,270</u>
Excess of Revenues over Expenditures	-0-
Net Assets - April 1	<u>-0-</u>
Net Assets - March 31	<u><u>\$ -0-</u></u>

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF ROSE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2005

NOTE A: ENTITY

The Township of Rose is a general law township of the state of Michigan located in Ogemaw County, Michigan. It operates under an elected board and provides services to its residents in many areas including liquor law enforcement, fire, public works, community enrichment, and human services. As required by generally accepted accounting principles and Governmental Accounting Standards Board (GASB) Statement no. 14 "The Financial Reporting Entity", these financial statements present the Township of Rose (primary government) and its component units. The criteria established by the GASB for determining the reporting entity includes oversight responsibility, fiscal dependency, and whether the financial statements would be misleading if data were not included.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Township of Rose conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies.

On April 1, 2004, the Township adopted the new governmental reporting model and implemented Governmental Accounting Standards Board (GASB) Statement No. 34 "Basic Financial Statements - And Management's Discussion and Analysis - for State and Local Governments" and Statement No. 38 "Certain Financial Statement Note Disclosures".

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS: The government-wide financial statements (i.e., the statements of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Indirect expenses* are charged based upon a Township-wide cost allocation plan which allocates costs based upon the number of full time equivalents, number of transactions, and other pertinent information. *Program revenues* include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items are not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

TOWNSHIP OF ROSE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2005

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION: The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Grant revenues are considered to be available when all eligibility requirements imposed by the provider have been met. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures and select compensated absences are recorded only when payment is due.

Property taxes, intergovernmental revenue, charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the Township.

The Township reports following major governmental funds:

The *General Fund* is the Township's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Fire Protection Fund* is used to account for all financial activity related to the Township's fire service. The main source of revenue is derived from property taxes.

The *Road Improvement Fund* is used to account for activity related to the Township's road projects. The major source of revenue is from property taxes.

TOWNSHIP OF ROSE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2005

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

MEASUREMENT FOCUS BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION (CONTINUED)

The Township reports, in total, the following non-major governmental funds:

Gypsy Moth Fund
Private Road Fund

Additionally, the Township reports the following fund types:

Agency Funds are used to account for assets held on behalf of outside parties, including other governments.

Property tax revenues are recognized as follows:

Properties are assessed as of December 31 and the related property taxes are levied on December 1 of the following year. These taxes are due on February 15; uncollected amounts are subsequently added to the county delinquent tax rolls. A county revolving fund normally pays the balance of the Township's tax levy by May 31 of each year. In accordance with GASB 33 "Accounting and Financial Reporting for Nonexchange Transactions", the Township records the property tax revenue when it becomes an enforceable legal claim for the Township. Therefore, all taxes levied on December 1, 2004, are recorded as revenue in the current year. The Township's taxable value for the 2004 tax year totaled \$38,842,512.

The tax rates for the year ended March 31, 2005, were as follows:

<u>PURPOSE</u>	<u>RATE/ASSESSED VALUATION</u>
General	.8639 mills per \$1,000
Fire	1.8810 mills per \$1,000
Road	.9404 mills per \$1,000

BUDGETS - Public Act 621 of 1978 as amended provides that a local unit shall not incur expenditures in excess of the amount appropriated. The approved budgets of the Township for budgetary funds were adopted on a fund level. Budgets are normally formulated during January and February of each year and a budget hearing is held in March. The board normally adopts the budget just prior to April 1. Amendments are made to the budgets when determined to be necessary throughout the year. Unused appropriations for budgeted activities lapse at the end of the year. The budget amounts shown in the financial statements are the final authorized amounts as revised during the year.

ESTIMATES - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

TOWNSHIP OF ROSE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2005

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

CAPITAL ASSETS - Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$500 and an estimated useful life in excess of two years. Such assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exists. Donated capital assets are valued at their estimated fair value on the date received.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

No interest expense has been incurred or capitalized on capital assets reported in proprietary funds.

Depreciation on the capital assets (including infrastructure), is computed using the straight-line or sum-of-the-years digits method over the following estimated useful lives:

	<u>Years</u>
Land improvements	20
Buildings	30-50
Public domain infrastructure	8-50
Equipment	3-20

LONG-TERM OBLIGATIONS - In the government-wide financial statements, the long-term debt and other long-term obligations are reported as liabilities. For new bond issuances after the implementation of GASB Statement No. 34, bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

TOWNSHIP OF ROSE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2005

NOTE C - CASH AND INVESTMENTS

The balance sheet accounts and types of cash items are presented below:

<u>Balance Sheet Accounts</u>	<u>Amount</u>	<u>Cash Items</u>	<u>Amount</u>
Cash and investments	\$ 655,779	Checking and Savings Account	\$ 406,975
			<u>248,804</u>
Total	<u>\$ 655,779</u>	Total	<u>\$ 655,779</u>

Deposits - At year-end, the carrying amount of the Township's deposits was \$655,779 and the bank balance was \$1,009,265. According to Section 330.8 of the Federal Deposit Insurance Corporation Rules and Regulations, 53% of the total bank balance was covered by federal depository insurance.

The Government Accounting Standards Board Statement No. 3 risk disclosures for Rose Township's cash deposits are as follows:

	<u>Carrying Amount</u>	<u>Bank Balance</u>
Insured (FDIC)	\$ 345,254	\$ 345,254
Uninsured and Uncollateralized	310,525	311,658
Total Deposits	<u>\$ 655,779</u>	<u>\$ 656,912</u>

Investments - P.A. 20 of 1943, authorizes the Township to deposit and invest in the following:

- a. Bonds and other direct obligations of the United States or its agencies.
- b. Certificates of deposit, savings accounts, deposit accounts, or depository receipts of federally insured banks, insured savings and loan associations or credit unions insured by the national credit union administration that are eligible to be depository of surplus money belonging to the State under section 5 or 6 of act 105, PA 1855, as amended (MCL 21.145 and 21.146).
- c. Commercial paper rated at time of purchase within the three highest classifications established by not less than two standard rating services. Maturity cannot be more than 270 days after purchase.
- d. United States governmental or Federal agency obligation repurchase agreements.
- e. Bankers' acceptance of United States banks.
- f. Mutual funds composed of investments which are legal for direct investments by local units of government in Michigan.

TOWNSHIP OF ROSE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2005

NOTE D - ACCOUNTS RECEIVABLE

Accounts receivable consists of miscellaneous receivables of \$277.

NOTE E - DUE FROM OTHER GOVERNMENTAL UNITS

Due from other governmental units consists of amounts due from the State of Michigan of \$15,278.

NOTE F - CAPITAL ASSETS

Capital asset activity for the year ended March 31, 2005 was as follows:

<u>Primary Government</u>	<u>Beginning of year</u>	<u>Increases</u>	<u>Decreases</u>	<u>End of Year</u>
Governmental activities:				
Land	<u>\$ 34,341</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 34,341</u>
Total capital Assets, not being depreciated	<u>34,341</u>	<u>-0-</u>	<u>-0-</u>	<u>34,341</u>
Capital assets, being depreciated:				
Building and improvements	246,977	-0-	-0-	246,977
Machinery and equipment	<u>49,085</u>	<u>5,441</u>	<u>-0-</u>	<u>54,526</u>
Total capital assets, being depreciated	<u>296,062</u>	<u>5,441</u>	<u>-0-</u>	<u>301,503</u>
Less accumulated depreciation for:				
Buildings and improvements	111,691	7,003	-0-	118,694
Machinery and equipment	<u>32,525</u>	<u>2,424</u>	<u>-0-</u>	<u>34,949</u>
Total accumulated depreciation	<u>144,216</u>	<u>9,427</u>	<u>-0-</u>	<u>153,643</u>
Net capital assets, being depreciated	<u>151,846</u>	<u>(3,986)</u>	<u>-0-</u>	<u>147,860</u>
Net governmental activities capital assets	<u>\$ 186,187</u>	<u>\$ (3,986)</u>	<u>\$ -0-</u>	<u>\$ 182,201</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	\$ 7,918
Public works	88
Recreation & cultural	<u>1,421</u>
Total depreciation expense - governmental activities	<u>\$ 9,427</u>

TOWNSHIP OF ROSE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2005

NOTE G - PENSION PLAN

Plan Description - Rose Township participates in a defined benefit retirement plan administered by the Municipal Employee's Retirement System (MERS). The plan covers five active employees.

The Municipal Employees Retirement System of Michigan (MERS) is a multiple-employer statewide public employee retirement plan created by the State of Michigan to provide retirement, survivor and disability benefits, on a voluntary basis to the State's local government employees in the most efficient and effective manner possible. As such, MERS is a non-profit entity qualified under section 401(a) of the Internal Revenue Code, which has the responsibility of administering the law in accordance with the expressed intent of the Legislature and bears a fiduciary obligation to the State of Michigan, the taxpayers and the public employees who are its beneficiaries.

The passage of HB-5525/Act No. 220, with enactment on May 28, 1996, allowed the members of MERS to vote on and determine if MERS should become an independent public corporation. The vote resulted in approval to become independent of State control and MERS began to operate as an independent public corporation effective August 15, 1996. MERS issues a financial report, available to the public, that includes financial statements and required supplementary information for the system. A copy of the report may be obtained by writing to MERS at 1134 Municipal Way, Lansing, MI 48917.

Actuarial Accrued Liability - The actuarial accrued liability was determined as part of an actuarial valuation of the plan as of December 31, 2004. Significant actuarial assumptions used in determining the investment of present and future assets of 8.0%, (b) projected salary increases of 4.5% per year compounded annually, attributable to inflation, and (c) additional projected salary increases of 0.0% to 4.2% per year, depending on age, attributable to seniority/merit and (d) the assumption that benefits will increase 2.5% annually after retirement.

All entries are based on the actuarial methods and assumption that were used in the December 31, 2004 actuarial valuation to determine the annual employer contribution amounts. The entry age normal actuarial method was used to determine the entries at disclosure.

TOWNSHIP OF ROSE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2005

NOTE G - PENSION PLANS (CONTINUED)

GASB 25 INFORMATION (as of 12/31/04)

Actuarial Accrued Liability:

Retirees and beneficiaries currently receiving benefits	\$ 41,091
Terminated employees not yet receiving benefits	-0-
Current Employees:	
Accumulated employee contributions including allocated investment income	11,340
Employer financed	<u>11,887</u>
Total actuarial accrued liability	64,318
Net assets available for benefits, at actuarial value (Market value is \$206,412)	<u>211,462</u>
Unfunded (over funded) actuarial accrued liability	<u><u>\$ (147,144)</u></u>

GASB 27 INFORMATION (as of 12/31/04)

Fiscal year beginning	April 1, 2006
Annual required contribution (ARC)	\$ -0-
Amortization factor used - underfunded liabilities (30 years)	0.053632
Amortization factor used - overfunded liabilities (10 years)	0.119963

Contributions Required and Contributions Made - MERS funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are designed to accumulate sufficient assets to pay benefits when due. The normal cost and amortization payment for the fiscal year ended December 31, 2004 were determined using the entry age normal actuarial funding method. Unfunded actuarial accrued liabilities, if any, were amortized as a level percent of payroll over a period of 30 years. The following table provides a schedule of contribution amounts and percentages for recent years.

Annual Pension Cost

<u>Year Ended December 31</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage Of APC Contributed</u>	<u>Net Pension Obligation</u>
2002	\$ -0-	100%	-0-
2003	-0-	100%	-0-
2004	-0-	100%	-0-

The Township was not required to contribute for the year ended March 31, 2005. Payments were based on contribution calculations made by MERS.

TOWNSHIP OF ROSE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2005

NOTE G - PENSION PLAN (CONTINUED)

Aggregate Accrued Liabilities - Comparative Schedule

<u>Actuarial Valuation Date December 31</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a % Of Covered Payroll</u>
2002	\$ 193,393	\$ 62,630	\$ (130,763)	309%	\$ 28,500	-0-
2003	201,671	59,009	(142,662)	342%	33,656	-0-
2004	211,462	64,318	(147,144)	329%	36,443	-0-

For actuarial valuation purposes, the actuarial value of assets is determined on the basis of a calculation method that assumes the fund earns the expected rate of return (8%), and includes an adjustment to reflect market value.

Actuarial assumptions for MERS valuations were revised for the 1993, 1997, and 2004 valuations.

NOTE H - INSURANCE

The Township is exposed to various risks of losses to torts; theft of, damage to, and destruction of assets; errors and omission; injuries to employees; and natural disasters. The Township participates in the Michigan Municipal Liability and Property Pool, as self-insured group. The pool is considered a public entity risk pool. The Township pays annual premiums for said years, all members of the pool's policy year may be subject to special assessment to make up the deficiency. The pool maintains reinsurance for claims generally in excess of \$500,000 for each occurrence with the overall maximum coverage varying depending on the specific type of coverage of reinsurance. The Township has not been informed of any special assessments being required. There were no significant changes in coverage, nor were there any significant claims for the year. The Township carries commercial insurance for other types of losses including employee health and accident insurance.

TOWNSHIP OF ROSE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2005

NOTE I - JOINT AREA FIRE BOARD

Rose Township appropriated funds for fire protection through the Rose City Area Fire Board. The Board is a joint area fire board serving Klacking, Rose and Cumming Townships and the City of Rose City. The Township appoints one member to the joint venture's governing board, who then approve the annual budget. The by-laws also require approval of the budget by each member unit. The following financial information of the joint venture, obtained from the Rose City Area Fire Board, is as of December 31, 2004:

Total Assets	<u>\$ 392,581</u>	<u>Local contributions - 2004</u>	
		City of Rose City	\$ 28,862
Total Liabilities	<u>\$ 24,212</u>	Rose Township	12,806
		Cumming Township	19,336
Net Assets	<u>\$ 368,369</u>	Klacking Township	<u>16,093</u>
Total Revenues	\$ 106,879	Total	<u>\$ 77,097</u>
Total Expenditures	<u>105,454</u>		
Change in Net Assets	<u>\$ 1,425</u>		

**REQUIRED
SUPPLEMENTARY
INFORMATION**

TOWNSHIP OF ROSE
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED MARCH 31, 2005

	<u>Original Budget</u>	<u>Final Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Taxes and Assessments:				
General property taxes	<u>\$ 45,400</u>	<u>\$ 45,400</u>	<u>\$ 46,058</u>	<u>\$ 658</u>
Total Taxes and Assessments	<u>45,400</u>	<u>45,400</u>	<u>46,058</u>	<u>658</u>
Intergovernmental:				
State shared revenues	<u>95,000</u>	<u>95,000</u>	<u>101,146</u>	<u>6,146</u>
State swamp tax	<u>4,306</u>	<u>4,306</u>	<u>4,306</u>	<u>-0-</u>
Total Intergovernmental	<u>99,306</u>	<u>99,306</u>	<u>105,452</u>	<u>6,146</u>
Charges for Services:				
Sanitation	<u>15,500</u>	<u>15,500</u>	<u>17,899</u>	<u>2,399</u>
Rent	<u>5,500</u>	<u>5,500</u>	<u>5,697</u>	<u>197</u>
Total Charges for Services	<u>21,000</u>	<u>21,000</u>	<u>23,596</u>	<u>2,596</u>
Interest	<u>4,500</u>	<u>4,500</u>	<u>7,608</u>	<u>3,108</u>
Other:				
Reimbursements	<u>4,000</u>	<u>4,000</u>	<u>4,257</u>	<u>257</u>
Cemetery lots	<u>1,200</u>	<u>1,200</u>	<u>1,635</u>	<u>435</u>
Miscellaneous	<u>700</u>	<u>700</u>	<u>1,022</u>	<u>322</u>
Total Other	<u>5,900</u>	<u>5,900</u>	<u>6,914</u>	<u>1,014</u>
Total Revenue	<u>176,106</u>	<u>176,106</u>	<u>189,628</u>	<u>13,522</u>

TOWNSHIP OF ROSE
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED MARCH 31, 2005

	<u>Original Budget</u>	<u>Final Amended Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
General Government				
Township Board:				
Wages	\$ 6,615	\$ 6,615	\$ 6,615	\$ -0-
Payroll taxes	5,600	5,600	4,654	946
Office Supplies	500	500	217	283
Legal	500	500	281	219
Accounting	1,500	1,500	950	550
Contractual services	2,000	2,000	2,275	(275)
Dues	800	800	822	(22)
Insurance	<u>6,500</u>	<u>9,263</u>	<u>9,705</u>	<u>(442)</u>
Total Township Board	<u>24,015</u>	<u>26,778</u>	<u>25,519</u>	<u>1,259</u>
Township Supervisor:				
Wages	7,166	7,166	7,185	(19)
Office supplies	180	180	165	15
Travel	<u>120</u>	<u>124</u>	<u>124</u>	<u>-0-</u>
Total Township Supervisor	<u>7,466</u>	<u>7,470</u>	<u>7,474</u>	<u>(4)</u>
Township Assessor:				
Office Supplies	1,250	1,250	1,064	186
Contractual Services	<u>14,800</u>	<u>14,800</u>	<u>14,589</u>	<u>211</u>
Total Township Assessor	<u>16,050</u>	<u>16,050</u>	<u>15,653</u>	<u>397</u>

TOWNSHIP OF ROSE
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED MARCH 31, 2005

	<u>Original Budget</u>	<u>Final Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
General Government (continued)				
Election Board:				
Wages	\$ 2,000	\$ 2,000	\$ 2,582	\$ (582)
Operating supplies	1,000	1,000	373	627
Transportation	250	250	175	75
Publication & Printing	<u>500</u>	<u>500</u>	<u>205</u>	<u>295</u>
Total Election Board	<u>3,750</u>	<u>3,750</u>	<u>3,335</u>	<u>(415)</u>
Township Clerk:				
Wages	12,050	12,050	12,079	(29)
Office supplies	1,500	1,500	786	714
Travel	<u>100</u>	<u>100</u>	<u>54</u>	<u>46</u>
Total Township Clerk	<u>13,650</u>	<u>13,650</u>	<u>12,919</u>	<u>731</u>
Township Treasurer:				
Wages	12,050	12,050	12,079	(29)
Office supplies	4,000	4,000	3,390	610
Miscellaneous	<u>125</u>	<u>125</u>	<u>-0-</u>	<u>125</u>
Total Township Treasurer	<u>16,175</u>	<u>16,175</u>	<u>15,469</u>	<u>706</u>

TOWNSHIP OF ROSE
GENERAL FUND
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED MARCH 31, 2005

	<u>Original Budget</u>	<u>Final Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
General Government (continued)				
Board of Review:				
Wages	\$ 1,550	\$ 1,550	\$ 950	\$ 600
Operating supplies	-0-	-0-	2	(2)
Publication & printing	<u>200</u>	<u>200</u>	<u>76</u>	<u>124</u>
Total Board of Review	<u>1,750</u>	<u>1,750</u>	<u>1,028</u>	<u>722</u>
Township Hall:				
Wages	5,000	5,000	5,805	(805)
Payroll taxes	-0-	-0-	74	(74)
Operating supplies	1,500	1,500	620	880
Travel	30	30	26	4
Utilities	12,000	12,000	7,746	4,254
Street lights	-0-	-0-	3,872	(3,872)
Repairs and maintenance	2,500	2,500	1,817	683
Miscellaneous	500	500	737	(237)
Capital outlay	<u>5,500</u>	<u>5,500</u>	<u>3,311</u>	<u>2,189</u>
Total Township Hall	<u>27,030</u>	<u>27,030</u>	<u>24,008</u>	<u>3,022</u>
Total General Government	<u>109,886</u>	<u>112,653</u>	<u>105,405</u>	<u>7,248</u>
Cemetery:				
Payroll	2,625	2,942	2,601	341
Operating supplies	50	50	10	40
Repairs and maintenance	1,500	1,617	1,613	4
Transportation	<u>-0-</u>	<u>10</u>	<u>-0-</u>	<u>10</u>
Total Cemetery	<u>4,175</u>	<u>4,619</u>	<u>4,224</u>	<u>395</u>

TOWNSHIP OF ROSE
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED MARCH 31, 2005

	Original Budget	Final Amended Budget	Actual	Variance Favorable (Unfavorable)
Enforcement Officer:				
Wages	\$ 400	\$ 400	\$ 200	\$ 200
Operating supplies	50	50	10	40
Travel	<u>100</u>	<u>100</u>	<u>-0-</u>	<u>100</u>
Total Enforcement Officer	<u>550</u>	<u>550</u>	<u>210</u>	<u>340</u>
Sanitation:				
Wages	10,000	10,000	8,789	1,211
Operating supplies	-0-	-0-	158	(158)
Contract services	25,000	25,000	20,697	4,303
Advertising	100	100	99	1
Utilities	550	550	460	90
Repairs and Maintenance	<u>500</u>	<u>500</u>	<u>1,080</u>	<u>(580)</u>
Total Sanitation	<u>36,150</u>	<u>36,150</u>	<u>31,283</u>	<u>4,867</u>
Recreation:				
Wages	630	630	557	73
Contract services	-0-	-0-	500	(500)
Utilities	150	150	114	36
Repairs and Maintenance	200	200	273	(73)
Capital outlay	<u>-0-</u>	<u>-0-</u>	<u>2,130</u>	<u>(2,130)</u>
Total Recreation	<u>980</u>	<u>980</u>	<u>3,574</u>	<u>(2,594)</u>
Library:				
Wages	330	320	330	-0-
Contract services	<u>1,500</u>	<u>1,500</u>	<u>1,500</u>	<u>-0-</u>
Total Library	<u>1,830</u>	<u>1,830</u>	<u>1,830</u>	<u>-0-</u>
Total Expenditures	<u>153,571</u>	<u>156,782</u>	<u>146,526</u>	<u>10,256</u>
Excess:				
Revenues over (under) expenditures	22,535	19,324	43,102	23,778
Fund Balance - April 1	<u>384,565</u>	<u>384,565</u>	<u>387,797</u>	<u>3,232</u>
Fund Balance - March 31	<u>\$ 407,100</u>	<u>\$ 403,889</u>	<u>\$ 430,899</u>	<u>\$ 27,010</u>

TOWNSHIP OF ROSE
FIRE PROTECTION FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED MARCH 31, 2005

	Original Budget	Final Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Taxes	\$ 72,000	\$ 72,000	\$ 73,183	\$ 1,183
State	-0-	-0-	1,102	1,102
Interest	1,500	1,500	1,619	119
Other	<u>2,500</u>	<u>2,500</u>	<u>2,000</u>	<u>(500)</u>
Total Revenues	<u>76,000</u>	<u>76,000</u>	<u>77,904</u>	<u>1,904</u>
Expenditures:				
Contributions to other government units	54,400	54,400	50,988	3,412
Miscellaneous	<u>50</u>	<u>50</u>	<u>1,102</u>	<u>(1,052)</u>
Total Expenditures	<u>54,450</u>	<u>54,450</u>	<u>52,090</u>	<u>2,360</u>
Excess:				
Revenues over (under) expenditures	21,550	21,550	25,814	4,264
Fund Balance - April 1	<u>121,454</u>	<u>121,454</u>	<u>121,486</u>	<u>32</u>
Fund Balance - March 31	<u>\$ 143,004</u>	<u>\$ 143,004</u>	<u>\$ 147,300</u>	<u>\$ 4,296</u>

TOWNSHIP OF ROSE
ROAD IMPROVEMENT FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED MARCH 31, 2005

	Original Budget	Final Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Taxes	\$ 36,000	\$ 36,000	\$ 36,583	\$ 583
Federal	3,500	3,500	3,345	(155)
State	<u>-0-</u>	<u>-0-</u>	<u>3,377</u>	<u>3,377</u>
Total Revenues	<u>39,500</u>	<u>39,500</u>	<u>43,305</u>	<u>3,805</u>
Expenditures:				
Contracted Services	<u>75,000</u>	<u>75,000</u>	<u>18,440</u>	<u>56,560</u>
Total Expenditures	<u>75,000</u>	<u>75,000</u>	<u>18,440</u>	<u>56,560</u>
Excess:				
Revenues over (under) expenditures	(35,500)	(35,500)	24,865	60,365
Fund Balance - April 1	<u>36,436</u>	<u>36,436</u>	<u>34,518</u>	<u>(1,918)</u>
Fund Balance - March 31	<u>\$ 936</u>	<u>\$ 936</u>	<u>\$ 59,383</u>	<u>\$ 58,447</u>

**OTHER
SUPPLEMENTAL
INFORMATION**

TOWNSHIP OF ROSE
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
MARCH 31, 2005

ASSETS	SPECIAL REVENUE FUNDS		
	Gypsy Moth	Private Road	Totals
Cash and investments	\$ 43,432	\$ 1,030	\$ 44,462
Taxes receivable	<u>-0-</u>	<u>23</u>	<u>23</u>
Total Assets	<u>\$ 43,432</u>	<u>\$ 1,053</u>	<u>\$ 44,485</u>
LIABILITIES AND FUND EQUITY			
Liabilities:			
Due to other funds	\$ <u>-0-</u>	\$ <u>862</u>	\$ <u>862</u>
Total Liabilities	<u>-0-</u>	<u>862</u>	<u>862</u>
Fund Balance:			
Undesignated	<u>43,432</u>	<u>191</u>	<u>43,623</u>
Total Fund Equity	<u>43,432</u>	<u>191</u>	<u>43,623</u>
Total Liabilities and Fund Equity	<u>\$ 43,432</u>	<u>\$ 1,053</u>	<u>\$ 44,485</u>

TOWNSHIP OF ROSE
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 NONMAJOR GOVERNMENTAL FUNDS
 YEAR ENDED MARCH 31, 2005

	<u>SPECIAL REVENUE FUNDS</u>		
	<u>Gypsy Moth</u>	<u>Private Road</u>	<u>Totals</u>
Revenues:			
Taxes	\$ -0-	\$ 874	\$ 874
Interest	<u>1,115</u>	<u>-0-</u>	<u>1,115</u>
Total Revenues	<u>1,115</u>	<u>874</u>	<u>1,989</u>
Expenditures:			
Services	<u>6,750</u>	<u>606</u>	<u>7,356</u>
Total Expenditures	<u>6,750</u>	<u>606</u>	<u>7,356</u>
Excess:			
Revenues over (under) expenditures	(5,635)	268	(5,376)
Fund Balance - April 1	<u>49,067</u>	<u>(77)</u>	<u>48,990</u>
Fund Balance - March 31	<u>\$ 43,432</u>	<u>\$ 191</u>	<u>\$ 43,623</u>

TOWNSHIP OF ROSE
GYPSY MOTH FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED MARCH 31, 2005

	<u>Original Budget</u>	<u>Final Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Interest	<u>\$ 700</u>	<u>\$ 700</u>	<u>\$ 1,115</u>	<u>\$ 415</u>
Total Revenues	<u> 700</u>	<u> 700</u>	<u> 1,115</u>	<u> 415</u>
Expenditures:				
Services	<u> 6,000</u>	<u> 6,000</u>	<u> 6,750</u>	<u> (750)</u>
Total Expenditures	<u> 6,000</u>	<u> 6,000</u>	<u> 6,750</u>	<u> (750)</u>
Excess:				
Revenues over (under) expenditures	<u>(5,300)</u>	<u>(5,300)</u>	<u>(5,635)</u>	<u>(335)</u>
Fund Balance - April 1	<u> 49,067</u>	<u> 49,067</u>	<u> 49,067</u>	<u> -0-</u>
Fund Balance - March 31	<u><u>\$ 43,767</u></u>	<u><u>\$ 43,767</u></u>	<u><u>\$ 43,432</u></u>	<u><u>\$ (335)</u></u>

TOWNSHIP OF ROSE
PRIVATE ROAD FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED MARCH 31, 2005

	<u>Original Budget</u>	<u>Final Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Assessment	<u>\$ 759</u>	<u>\$ 759</u>	<u>\$ 874</u>	<u>\$ 115</u>
Total Revenues	<u> 759</u>	<u> 759</u>	<u> 874</u>	<u> 115</u>
Expenditures:				
Road improvement	<u> 400</u>	<u> 400</u>	<u> 606</u>	<u> (206)</u>
Total Expenditures	<u> 400</u>	<u> 400</u>	<u> 606</u>	<u> (206)</u>
Excess:				
Revenues over (under) expenditures	369	359	268	(91)
Fund Balance - April 1	<u> (77)</u>	<u> (77)</u>	<u> (77)</u>	<u> -0-</u>
Fund Balance - March 31	<u><u>\$ 282</u></u>	<u><u>\$ 282</u></u>	<u><u>\$ 191</u></u>	<u><u>\$ (91)</u></u>